

PELYNT PARISH COUNCIL

FINANCIAL REGULATIONS

1. General

1.1 In these financial regulations, references to the Account and Audit Regulations shall mean the Regulations issued under the provisions of Section 27 of the Audit Commission Act 1998 and then in force.

1.2 The Responsible Financial Officer shall produce financial management information as required by the Council.

2. Expenditure

2.1 Orders for payment of money shall be authorised by resolution of the Council. Such resolutions on expenditure can only be considered where included as an agenda item.

3. Authorised Persons for Signing Cheques

3.1 Three members of the Council will be authorised signatories for the purposes of signing cheques on behalf of the Council.

4. Signing of Cheques

4.1 Cheques in payment of amounts due shall be signed by two authorised members of the Council who should add their initials to the counterfoils of each cheque signed.

5. Payment of Accounts

5.1 All payments shall be effected by cheque drawn on the Council's bankers.
Amendment:- It was resolved to amend the Payment of Accounts to include payment arrangements via BACS during Government restrictions relating to the pandemic – **Minute No:- 23841.**

5.2 If a payment is necessary to avoid interest charges under the Late Payment of Commercial Debts (Interest) Act 1988 and the due date for payment is before the next scheduled meeting of Council, where the Clerk is satisfied there is no dispute or other reason to delay payment, the Clerk may take all steps necessary to settle such invoices provided that a list of such payments shall be submitted to the next appropriate meeting of the Council.

5.3 The Council will not maintain any form of cash float. Any cash that may be received must be banked intact.

6. Payment of Salaries

6.1 As an employer, the Council shall make arrangements to meet fully the statutory requirements placed on all employees by PAYE and National Insurance legislation. The payments of all salaries shall be made in accordance with payroll records and the rules of PAYE and National Insurance currently operating and salaries will be as agreed by Council.

7. Invoices

7.1 Upon previous request, invoices will be made available for inspection by cheque signatories to ensure the validity and amount of payment prior to signing.

8. Income

8.1 The collection of all sums due to the Council shall be the responsibility of and under the supervision of the Clerk.

8.2 Particulars of all charges to be made for work done, services rendered or goods supplied shall be agreed annually by the Council and the Clerk shall be responsible for the collection of all accounts due to the Council.

8.3 The Council will review all fees and charges annually, following a report of the Clerk.

8.4 The Clerk shall promptly complete any VAT return that is required. Any repayment claim due in accordance with the VAT Act 1994 shall be made annually coinciding with the financial year end.

9. Sealing of Documents

9.1 Any two members of the Council authorised by resolution may seal documents on behalf of the Council. A document shall not be sealed on behalf of the Council unless its sealing has been authorised by the Council.

10. Contracts

10.1 In respect of the supply of goods and services or materials or the execution of works, the Clerk shall seek to obtain one quotation for values under £5000. For values between £5000 and £10,000 the Clerk shall seek to obtain a minimum of two competitive quotations and for values over £10,000 the Clerk shall seek to obtain a minimum of three competitive quotations.

10.2 Acceptance of quotations shall be by resolution of the Council and the Council shall not be bound to accept the lowest quotation.

10.3 Any relationship between a member and an intending contractor shall be disclosed. Canvassing of members shall not be permitted.

10.4 An official order or letter shall be issued for all work, goods and services.

11. Emergency Authorisation of Work

11.1 The Clerk may incur expenditure on behalf of the Council which is necessary to carry out any repair, replacement or other work which is of such urgency that it must be done without delay, whether or not there is any budgetary provision for the expenditure. The Clerk shall report the action to the Council as soon as practicable thereafter.

12. Accounting and Audit

12.1 The Clerk shall maintain the accounts of the Council in the form prescribed by the prevailing Accounts and Audit Regulations.

- 12.2** The Clerk shall complete the annual financial statements of the Council, including the Council's annual return, as soon as practicable after the end of the financial year and shall submit them and report thereon to the Council.
- 12.3** The Clerk shall complete the Accounts of the Council contained in the Annual Return (as supplied by the Auditor appointed by the Audit Commission) and shall submit the Annual Return for approval and authorisation by the Council within the timescales set by the Accounts and Audit Regulation.
- 12.4** The Clerk shall ensure that there is an adequate and effective system of internal audit of the Council's accounting and financial operations in accordance with proper practice.
- 13. Inspection of Accounts**
- 13.1** The accounts will be made available for inspection by the public for fifteen days prior to audit, by prior appointment with the Clerk.
- 13.2** The accounts are to be available for inspection by Councillors at all times by prior appointment with the Clerk.
- 14. Bank Accounts**
- 14.1** The Council shall maintain one current account and in addition may maintain one or more savings/deposit accounts as deemed necessary and authorised by resolution.
- 15. Accounts and Financial Statements**
- 15.1** The Clerk shall supply to each member at every meeting a financial statement of payments made and income received since the previous meeting of the Council.
- 15.2** The Clerk shall complete a monthly reconciliation between the accounts ledger and balances held in bank accounts. A reconciliation document will be presented to Council on a quarterly basis for acceptance by resolution.
- 16. Risk Assessment**
- 16.1** Financial risks will be identified and ratified by Council and form part of the Councils overall Risk Assessment.
- 16.2** Such risks shall be subject to addition, removal or amendment by resolution.
- 17. Internal Financial Control**
- 17.1** Council shall appoint an independent and competent person to undertake internal audit of the Councils finances.
- 17.2** Council shall appoint by resolution an internal finance committee consisting of five members, two of whom must sit with the Responsible Financial Officer to periodically review the system and effectiveness of internal control and report for the full consideration of Council thereafter.
- 18. Budget/Precept**
- 18.1** The Clerk will prepare a draft expenditure budget and precept request for consideration of members at their October meeting. Any amendments will be

incorporated into a consolidated budget and precept request which will be ratified by resolution at the November meeting.

- 18.2 The precept request will be forwarded to the County Council thereafter.
- 18.3 The annual budget shall form the basis of financial control for the ensuing year but will not restrict the Council spending on unforeseen matters.
- 18.4 The Clerk will provide members with a half yearly update on the expenditure budget.

19. Assets

- 19.1 The Clerk shall ensure that an appropriate and accurate Register of Assets is maintained.

20. Insurance

- 20.1 The Council shall maintain insurance cover for the risks it considers appropriate but shall, as a minimum cover, include Public Liability, Employers Liability, Money and Fidelity Guarantee.

21. Revision of Financial Regulations

- 21.1 It shall be the duty of the Council to periodically review the Financial Regulations and the Clerk shall advise Council of any requirement for amendment brought about by changes in financial regulations.

22. Village Hall

- 22.1 The Council, as corporate trustee of Pelynt Village Hall, will maintain separate accounts and banking arrangements for the purpose of this facility. No sole Council member will be responsible for any financial liability regarding the Village Hall. Full responsibility for financial accountability will be undertaken by Pelynt Parish Council as the corporate trustee.